

# Case Study

## Corporate Pensions

### Background

The client was due to stage with effect from May and approached in the preceding December to help with their pension arrangement and auto-enrolment duties. Up to this point they had done little to prepare for this.

The Company had an existing pension arrangement which they believed would be suitable for automatic enrolment purposes. We highlighted the follow issues on review of this pension:

The charges were high and would not comply with the charge cap legislation

The pension had a low take up rate – 23% of the workforce. If all members joined on the existing contribution basis, this would have been unaffordable to the business. Employees had a contractual right to these contributions.

The pension was poorly communicated. For 26% of the workforce, English was not their first language

### Solution

We set about restructuring the pension arrangement with immediate effect and were able to negotiate a reduction in the charges applicable. The commission payable under the policy was removed and replaced with a fee payable by the Company. To help cover costs, salary exchange was introduced.

Alongside an employment lawyer, we carried out an amnesty for existing employees to allow them to join on the existing contractual contribution basis. All those who did not take this up were issued with new contracts and enrolled on minimum contributions.

A communication plan was rolled out across the business which included using Foxit software to translate materials and working alongside multilingual team leaders to deliver face to face awareness campaigns to all staff.

### AT A GLANCE

We restructured an antiquated, uncompetitive pension arrangement to provide a competitive contract for employees.

Consultancy fees were funded via salary exchange, thus the Company receive on-going invaluable advice without an additional cost to the business.

Employee engagement with the pension has increased.

Overall costs were within the business's budget.

Less than 6% of the workforce opted out of the pension.